

Book Review: The Vitality of Taiwan: Politics, Economics, Society and Culture

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*This book examines Taiwan's dynamism, contradictions, colour, excitement and, above all, vitality. It asks if the nation's vitality is a product of its democratic politics, civil society or its predicament as a state with which most of the rest of the world cannot recognise though happily maintain a full range of relations in reality. **The Vitality of Taiwan** leaves the reader yearning to delve in deeper and learn more about this fascinating country, says **Merlin Linehan**.*



The Vitality of Taiwan: Politics, Economics, Society and Culture. Steve Tsing (ed.). Palgrave Macmillan. September 2012.

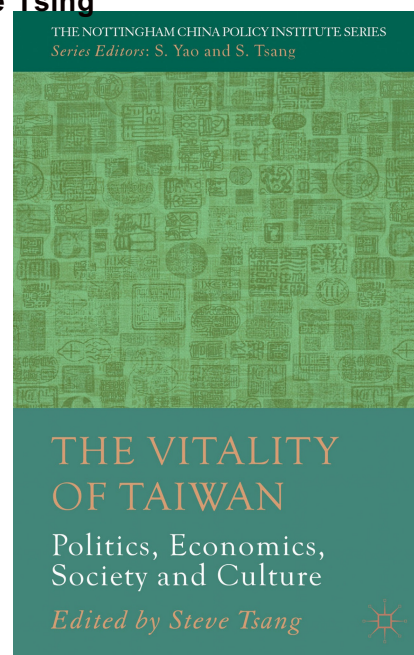
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The Vitality of Taiwan is a collection of essays by a multi-disciplinary group of contributors, covering different aspects of modern Taiwan from political, sociological, and economic viewpoints, with the country's "vitality" running through all the chapters as a unifying theme. Because so much of the current analysis, research, and coverage of Taiwan concerns its tortured relationship with the mainland, it is refreshing to read a book which takes a positive and celebratory look at the island on its own terms, demonstrating how the country has developed into a young democracy and built a hi-tech manufacturing base, as well as discussing the island's literature, film, and performing arts.

The text defies easy classification; it is not a purely political, economic, or sociological analysis, but rather a collection of writings by various authors covering a wide range of disciplines, which together provides us with a satisfying biography of modern Taiwan.

Shelley Rigger's chapter on the 'Resilience and Dynamism of Taiwan' identifies the strength of civil society organisations and middle class activism as the bedrock of democracy in the country. This point is often absent from the analysis of young democracies, with authors focussing on the importance of free elections and the judiciary rather than grassroots engagement. The chapter uses metrics from Freedom House and political scientists Larry Diamond and Leonardo Morlino to measure political freedom, which all show how democratic institutions in the country have improved over recent years, to the extent that the country is now recognised as a liberal democracy. But the real strength of the chapter lies in the analysis of Taiwan's democracy in terms of its resilience and durability and its ability to recover from a crisis, which the author has strong faith in, while also recognising that it is a young democracy and there is always a danger of a return to authoritarianism and the realisation that the biggest danger to its society lies across the water in Beijing.

Joseph Wong's chapter on 'Vitality in the Knowledge Economy' offers a convincing profile of Taiwan's version of the "developmental state", arguing that it was and remains a guiding hand in the economy, although its role has shrunk and changed focus in recent years.



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“The logic of state leadership compelled would-be entrepreneurs to enter into sectors they would have otherwise eschewed. Failures were to be expected, but developmental state interventions were designed to reduce the possibility of failure or, in the least, cushion the impact of failure on would-be entrepreneurs so as to encourage continued high-tech entrepreneurial activity” (p. 196).

The chapter also confronts the problem of modern day Taiwan and other countries with similar economies: as it has developed by largely imitating existing technologies and producing them at a cheaper rate, Taiwan must turn to innovating technology in order to progress. As the author argues this is far more difficult and requires a new economic policy, because new technologies are inherently risky as there is no proven demand for them.

A case to consider is that of biotechnology, in which the government has invested billions of dollars’ worth of funding, but the revenues produced by companies have been poor. To be fair, this is in line with worldwide trends for the sector, and there is an excellent dissection of the bio-technology industry which has offered so much, but delivered little so far. The book ponders whether the business model is wrong, or the venture capitalists that fund such projects are too impatient.

The development of the bio-technology industry in Taiwan also allows us to see how the State’s role in industrial development has evolved particularly in respect to companies on the “cutting edge” of technological change. In recent years, the state has introduced more competition between ministries and reduced their power in “picking winners”, instead emphasising its role in providing infrastructure and a quality business environment. The nuanced analysis of the developmental state helps frame the hotly contested debate on how East Asian countries should formulate economic policy in the bid to move from high middle income to “fully developed”.

Steve Tsang’s contributions – which introduce and conclude the book – have a notably optimistic tone and, with caveats, foresee a bright economic and political future for Taiwan. In the economic arena at least, Tsang’s optimism make an interesting contrast to Ruchir Sharma’s recent work *Breakout Nations* in which he compares Taiwan’s future unfavourably to South Korea, a country which he writes has: “the rare ability to stay at the cutting edge of fast-changing industries has put it in a class of itself”. In other words, Korea has an innovative edge which, Sharma argues, would put it ahead of Taiwan after many years of comparable economic performance.

Cynics may balk at using vitality so freely in association with political discourse and economic performance, and this reviewer must also admit to suspicion when reading the introduction. But Tsang is convincing in his use of the vitality theme, and in time the reader is won over.

The Vitality of Taiwan is a vivid portrait of a country that can justifiably call itself the gold medallist of worldwide economic performance and political transition. Covering so many facets of Taiwanese society, culture, technology, literature, and innovation, the book leaves the reader wanting to delve in deeper and learn more about this fascinating country. A strong recommendation to anyone interested in learning about the island, and a must for all Taiwan specialists.

Merlin Linehan is currently writing a book on trade and investment between rising powers and previously worked as a financial analyst and consultant in the fields of SMEs, clean energy and donor finance for the European Bank for Reconstruction and Development. Merlin holds an MSc in Finance and Financial Law from SOAS. Merlin blogs on South –South trade at thekularingtradeblog.com and tweets [@MerlinLinehan](https://twitter.com/MerlinLinehan). [Read more reviews by Merlin.](#)